GOM guarantee. GOI coutner gurantee can be invoked upon the failure of Maharashtra State Electricity Board (MSEB) to make payments to DPC under the PPA and consequent failure of GOM as well to make the same payment to DPC upon demand by the latter under the GOM Guarantee. GOM is the primary obligor and GOI is the secondary obligor under the GOI counter guarantee. GOI obligations are limited to covering annual payment obligations upto Rs. 1500 crore per annum, which amount is escalable based on certain parameters specified in the counter guarantee and also termination payments limited to covering outstanding foreign debt repayments, further limited upto US$ 300 million only.

Taking over Dabhol Power Project by AES Corporation

3284. SHRI B.J. PANDA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the President of AES Corporation had met the Power Minister and expressed his intention to take over Dabhol Power Project in Mahrashtra and withdraw from the distribution business in Orissa; and

(b) if so, the response of the Government?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The representatives of M/s. AES Corporation met the Minister of Power on 19th July, 2001 and discussed the problems being encountered in the distribution business in Orissa. They informed that if Government of Orissa and GRIDCO are not able to sort out the problems, AES may consider withdrawing from the distribution business in Orissa. No intention to take over the Dabhol Power Project was expressed by them.

(b) Does not arise.

Power reforms

3285. SHRI PREM CHAND GUPTA: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the CII has told Government that unless reforms in the power sector introduced to ensure that power produced is paid for private investment (IPP) is of no use;

(b) whether the case of Enron was quoted where due to lack of reforms the MSEB was unable to pay for the power generated; and

(c) if so, what are the Government's views on this?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) The Confederation of Indian Industry (CII), in its study report on "Electricity Transaction-creating Commercial Outlook" has called for a turn around in physical and financial performance of State Electricity Boards (SEBs) on commercial principles through electricity reforms. CII has written to the Government of India (Ministry of Power) that the State power sector has been unable to provide accessible and affordable power. According to CII, unless the solvency, liquidity and overall financial health of SEBs improve through reforms, the private sector projects may not be feasible.

(b) No such reference has been made in the above mentioned study report.

(c) Does not arise.

Survey for electrification in the Phulesh Village at Azamgarh in U.P.

3286. MISS FRIDA TOPNO: Will the Minister of POWER be pleased to state:

(a) whether Government have undertaken any survey on Rural Electirfication especially in the Phulesh Village, Azamgarh, U.P.;

(b) if so, the details thereof;

(c) by when the electrification process will be completed in the said village; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) The matter has been taken up with the Govenrment of Uttar Pradesh to obtain the details as regards electrification of the village Phulcsh in Azamgarh, UP.

Tackling drinking water problem in Kerala

3287. SHRI C.O. POULOSE: Will the Minister of RURAL DEVELOPMENT be pleasd to state:

(a) whether Govemment are aware of the news-item captioned "Wells do a vanishing trick in Kerala" appearing in the Hindu dated 23rd June, 2001;